



Maryland and Delaware

Media Summary

August 11, 2005

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Land values. According to a report released August 5 by the U.S. Department of Agriculture, farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$1,510 per acre on January 1, 2005, up 11.0 percent from 2004. This is the largest percentage increase since 1981, when farm real estate values rose 11.1 percent from the previous year. The \$150 per acre increase is the largest dollar increase on record. The previous record was 1980, when values climbed \$109 per acre above the 1979 value.

Cropland and pasture values rose by 11.3 and 9.5 percent, respectively, from January 1, 2004. Cropland values averaged \$1,970 per acre and pasture values averaged \$694 per acre on January 1, 2005, compared with \$1,770 and \$634 per acre, respectively, a year earlier. The value of other land and buildings increased 11.9 percent.

The increase in farm real estate values was driven by a combination of factors, including low interest rates, high commodity production and prices, and strong demand for nonagricultural land uses. Nationally, survey data indicated that agricultural land with potential for immediate development (expected land use if sold) was valued at more than \$6,050 per acre. The survey also indicated that agricultural land with potential for future development was valued at nearly \$5,400 per acre, about \$1,400 higher than the 2004 indication. Demand for farm real estate as an investment continued to be strong.

Regional increases in the average value of farm real estate ranged from 8.2 percent in the Delta and Southern Plains regions to 13.2 percent in the Northeast and Southeast Regions. The highest farm real estate values were in the Northeast region, where urban influences have pushed the average value to \$4,020 per acre. The Mountain region had the lowest farm real estate value, at \$599 per acre.

Cash rents. Nationally, cash rents per acre paid to landlords for cropland rose 2.0 percent while pasture rents increased 7.3 percent for the 2005 crop and grazing year. Cropland cash rents paid in 2005 averaged \$78.00 per acre, compared with \$76.50 per acre for 2004. Pasture cash rents averaged \$10.30 per acre, 70 cents higher than the \$9.60 per acre in 2004. The increases in cropland and pasture rental rates continue to reflect producers' optimism following the combination of high production and price levels of major U.S. agricultural commodities in 2004.

Maryland. The value of all farm real estate in Maryland increased from an estimated \$5,700 per acre in 2004 to \$7,900 per acre in 2005. The value of cropland jumped from \$5,600 in 2004 to \$7,600 per acre in 2005. Rental rates for cropland were up 5%, from an estimated \$59 per acre in 2004 to \$62 per acre in 2005.

Delaware. The value of all farm real estate in Delaware increased from an estimated \$6,000 per acre in 2004 to \$8,400 per acre in 2005. Cropland values increased from \$5,700 in 2004 to \$8,000 per acre, while cropland rental rates rose from \$61 per acre to \$64 per acre.

LAND VALUES & CASH RENTS, SELECTED STATES 2001-2005					
	2001	2002	2003	2004	2005
Land Values					
<i>dollars per acre</i>					
Farm Real Estate					
Delaware	3,400	3,700	4,000	6,000*	8,400
Maryland	3,800	4,000	4,150	5,700*	7,900
New Jersey	8,100	8,600	9,100	9,750	10,300
Pennsylvania	3,000	3,250	3,450	3,650	4,000
Virginia	2,380	2,530	2,700	3,200*	3,900
48 States	1,150	1,210	1,270	1,360	1,510
Cropland					
Delaware	3,250	3,500	3,850	5,700*	8,000
Maryland	3,700	3,900	4,000	5,600*	7,600
New Jersey	8,700	9,000	9,300	9,900	10,500
Pennsylvania	3,180	3,350	3,500	3,700*	4,000
Virginia	2,350	2,550	2,800	3,300*	4,000
48 States	1,510	1,590	1,660	1,770*	1,970
Pasture					
Maryland	3,450	3,500	3,650	5,500*	7,300
New Jersey	9,500	9,700	10,000	10,600	11,300
Pennsylvania	1,750	1,800	1,850	2,000	2,200
Virginia	2,000	2,100	2,250	2,800*	3,500
48 States	557	577	605	634*	694
Cash Rents					
<i>dollars per acre</i>					
Cropland					
Delaware	57.50	56.30	57.00	61.00*	64.00
Maryland	55.50	55.50	55.50	59.00	62.00
New Jersey	47.00	47.00	47.00	47.50	47.50
Pennsylvania	42.00	40.00	41.00	43.00	45.00
Virginia	36.50	36.00	36.50	39.00	40.00
48 States	71.00	71.60	73.00	76.50	78.00
Pasture					
Northeast Region	23.00	22.00	23.00	24.00	24.00
48 States	9.20	9.20	9.00	9.60	10.30

* Revised.

Northeast region includes CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT.

48 States exclude Alaska and Hawaii.